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METRO MARKET OUTLOOK:
The competition gets hotter—pp. 27-42

National
Home Center News ®

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Ole's set to buy Neiman-Reed's Lumber City

Officials confirm talks under way

By Brad Altman
NHCN West Coast editor

PASADENA, Calif.—Ole's Home Centers, the 35-unit chain based here, announced it is negotiating the purchase of Neiman-Reed's Lumber City, operator of 12 home centers and a wholesale lumber division primarily in the San Fernando Valley north of Los Angeles.

Officials for both chains confirmed that negotiations were taking place but declined to discuss additional details until an agreement in principal has been signed. (Such an agreement had not been reached at press-time late last month.)

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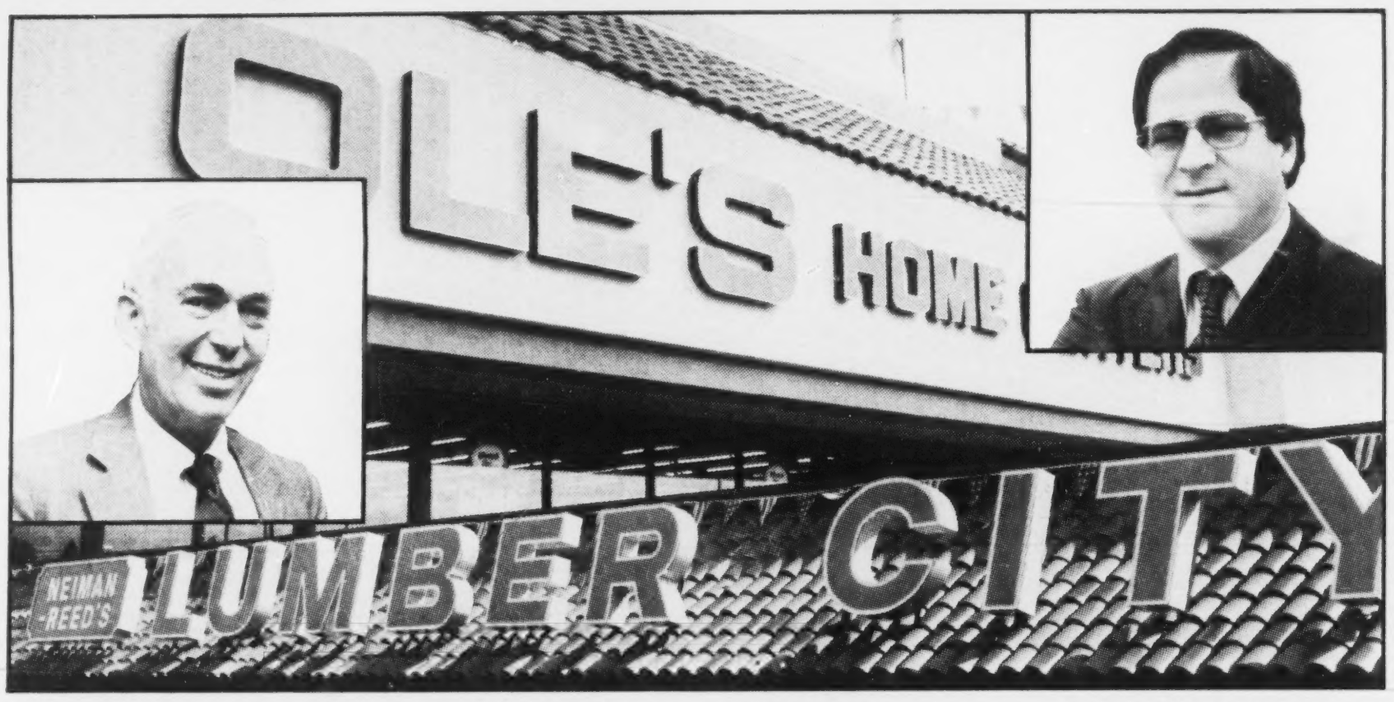


Ole's president Harvey Knell (right) is negotiating with Neiman-Reed co-founder Robert Neiman over the purchase of the 12 Lumber City outlets by 35-store Ole's. NHCN photo

Ole's rolls out new whse image

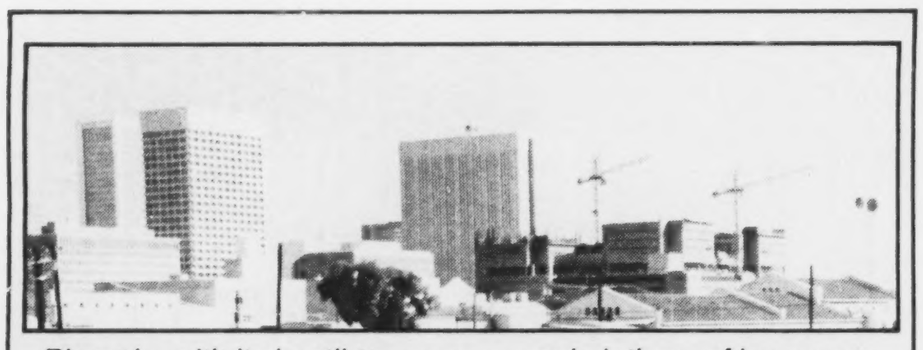
PASADENA, Calif.—As part of a multimillion dollar chainwide move to alter its image, Ole's Home Centers is rapidly completing the conversion of all of its stores toward a modified warehouse format.

The "new Ole's" will feature a greater use of warehouse racking, lowered prices and a refined merchandise mix.

News of the conversion overshadowed the late November opening of the chain's 35th store, a 40,000-sq.-ft. home center in Rialto, Calif.

Together with the chain's announcement late last month of plans to acquire 12-unit Nei-

(Continued on page 50)



Phoenix, with its bustling economy and plethora of home center stores, typifies the fierce intensity of the battle for today's DIY dollar. NHCN photo

Chain invasion ignites bid for Phoenix market share

PHOENIX—The rapid invasion of home center chain outposts in the nation's Sunbelt over the past five years is transforming the landscape of a booming retail home improvement market into a battlefield.

At stake is more than a piece of today's do-it-yourself dollar.

W. R. Grace, Payless Cashways, Home Depot and other high-powered home center operators are clearly striving to carve out Sunbelt market strongholds.

Until five years ago, the invasion of these outposts represented mostly a new challenge for local and regional independents. But as the promise of Sunbelt market growth continued to lure more and more chain outlets into each market, the bid for retail home improvement sales has erupted into a high-stakes battle for market share, leaving independents increasingly hard pressed to find new ways to match an escalating ante.

Perhaps no single market better typifies the new intensity of this battle better than Phoenix.

"Competition at the DIY level has been the fiercest I've ever seen—it's been brutal," declared Paul Conley, assistant gm of O'Malley Building Materials, the Phoenix-based chain operating nine stores here.

And that, said Conley, was before the arrival of The Home Depot.

The Atlanta-based chain of warehouse home centers "arrived" in Phoenix Thanksgiving weekend with two new stores and a flurry of promotions.

Home Depot's debut, in concert with the agressive expansion of Payless Cashways, the Kansas City, Mo.-based chain which is readying a fifth Phoenix outlet (due open by June) has touched off a major promotion battle here.

W. R. Grace currently operates 11 Angels Home Centers in the area; Handyman, the 77-store San Diego-based chain runs five; 84 Lumber has one store in nearby Mesa, and Foxworth-Galbraith, Dallas, operates a 5-acre, 45,000-sq.-ft. home center here. That's in addition to several independents, including Ray Lumber, which relies on a contractor sales base, and Odds and Ends Building Materials, which shuttered a Chandler, Ariz., store in November, and now has a store in Phoenix and Flagstaff.

(Continued on page 42)

K mart eyes separate DIY units; adding 222 home center depts.

TROY, Mich.—K mart, the nation's second-largest retailer, has revealed it is investigating opening freestanding home centers perhaps as early as the end of 1984 that would resemble the in-store home improvement departments it has installed in over 40 of its 2,160 discount stores.

However, company officials told *NHCN* that K mart's "impetus" in 1984 would be the remodeling and remerchandising of 222 more stores with similar home improvement departments. In 1983, the chain converted 42 of its stores' DIY departments to the new format.

K mart's home center coordinator Art Messina said this prototype could eventually be incorporated into all of the 1,500 K mart stores that carry lumber and building materials.

"This expansion program is going to take up the bulk of our efforts this year," said Justin Godchaux, a former New Orleans Home Depot store manager who was recently hired by K mart to study the feasibility of operating freestanding units.

Last month, K mart president Samuel Leftwich said in an interview with *Advertising Age* that freestanding home centers would probably be tested by K mart in 1984, while adding that the concept had neither been fully developed nor have sites been selected.

Godchaux, who will report to Messina, confirmed that the $19 billion chain's plans for freestanding units are still on the back burner, but are heating up. "We're nowhere near getting it off the ground, but we are investigating the possibilities," he said.

Godchaux emphasized that the chain is currently weighing

(Continued on page 49)

Retailers fear heater price erosion

Kero-Sun files for Chapter 11 protection

By John Caulfield
NHCN senior editor

KENT, Conn.—Almost a year ago, rumors flew across the exhibition hall of the Winter Hardware Show in Las Vegas that Kero-Sun, the nation's largest kerosene heater marketer, had filed for bankruptcy. Eleven months later, the rumors have come true.

In response to legal pressure by three of its unsecured creditors, the $300 million Kero-Sun filed in Hartford, Conn., on Dec. 6 to be placed under the protection of Chapter 11 of the U.S. Bankruptcy Code.

Under Chapter 11, the company will reorganize and continue to dispose of its inventory —currently more than 300,000 unsold heater units—through ALCO Capital Corp., a New York-based company specializing in liquidations.

ALCO and Kero-Sun officials insist the company is not engaged in a going out of business sale, and said that its inventory—some of which is two years old—is being marketed through Kero-Sun's normal distribution network.

However, home center dealers and wholesalers are concerned that Kero-Sun's placing so much inventory at discounted prices into a market already glutted with more than two million unsold heaters will only further erode prices and margins below the levels last winter when the weather was mild and everyone appeared to have trouble selling the units.

Consequently, both dealers and distributors have bought their winter kerosene heater stock cautiously this year, and

(Continued on page 50)

NEWSBREAKS

NEW GROSSMAN'S DIVISION. Grossman's has formed a new warehouse division to be headed by Frank Lynch, formerly general manager of the chain's West Coast division.

INSIDE:

LOWE'S HAS BOUGHT four Homecrafters Centers in Nashville, which are being converted to open as Lowe's outlets .. Page 2
HECHINGER APPEARS to be moving toward a warehouse format as the company tinkers with its standard prototype Page 2
VROOM & DREESMAN is taking another stab at the home center business after purchasing a minority interest in Philadelphia-based Mr. Goodbuys ..... Page 3
SUTHERLAND LUMBER debuted HouseMart, its new 101,000-sq.-ft. retail warehouse operation ..... Page 3
HOME DEPOT'S new Phoenix units reflect the chain's trend toward carrying higher-ticket merchandise ..... Page 4
MORE HOME CENTERS are utilizing cantilever racking to enhance the display and handling of commodity products Page 15
1984 DIY INDUSTRY CALENDAR OF EVENTS ... Pp. 43-44

NHCNews Briefs

Industry Update

Payless '83 sales increase 44%

KANSAS CITY, Mo.—Surpassing even its own executives' expectations, Payless Cashways' sales for the fiscal year ended Nov. 26 rose 44% to $863,786,000, with November volume jumping to $73,750,000, a 46% increase.

Comparable store sales in November were up 24%, and rose 18% for the year. Dollar figures are not released by the chain. The 121-unit chain's earnings data will be reported on Jan. 6.

Payless' directors also voted to increase the company's dividend on its stock from 3¢ to 4¢ per share, payable Jan. 17, and agreed to form another district, Payless' 16th.

District 17 (the company has no District 13, because "nobody wants the bad luck," said senior vp Dick Hemer) will encompass Payless' two Tucson, Ariz., stores, its unit in El Paso, Tex., and the three Tucson-based Wood Brothers units Payless took over on Dec. 1.

Heading up the district is Eric Peterson, a 10-year lumber materials veteran who most recently managed Payless' Lumberjack unit in Auburn, Calif. Peterson's promotion set off a chain reaction of personnel changes in the company.

BE to shift 4 Calif. units

IRVINE, Calif.—Builders Emporium will close four northern California units early this year—three in Sacramento and one in Stockton.

The chain plans to open four new stores elsewhere in California almost at the same time, company officials said, maintaining the chain's store count at 60 units.

In 1983, BE closed two stores, both in Los Angeles County, but did not open any new stores. BE's last store to open was in Sunnymead, Calif., in June 1982, two months after parent Wickes Cos. began Chapter 11 bankruptcy proceedings.

The northern California store closure decision was prompted by "inadequate and poorly located facilities," according to a BE statement.

First Pergament whse opens

BETHPAGE, N.Y.—Pergament opened its first warehouse-style store here last month and while the store front still labels the unit as "Pergament," the unit has promoted itself as the "homeowners new do-it-yourself depot" with "warehouse prices" in newspaper circulars and radio ads.

Following an industry trend, the chain's grand opening circular featured a "we will not be undersold" policy promising shoppers that Pergament Home Centers "will beat any current price by 5% on any merchandise we sell." It also announced drawings for free prizes such as a color television and a video tape recorder.

The chain relocated its Bethpage home center, moving the unit from a 55,000-sq.-ft. lower level to a 70,000-sq.-ft. main level in the same shopping center (*NHCN*, Nov. 7, 1983), according to Pergament officials.

Homeowners' ceo given stock

GARDENA, Calif.—Hal Smith, the 32-year-old president and ceo of Homeowners DIY centers headquartered here, has acquired an ownership interest in the five-unit chain.

Founder and chairman Louis Share, 62, said that Smith has received "some of the stock" of the privately held corporation which previously had been solely owned by Share and his wife. Share declined to disclose Smith's percentage stake in the company.

Smith joined Homeowners in 1979 and last March became chief executive. Smith "has proven himself in every way," said Share. His part-ownership "is good for the future of the company—it provides continuity and a reward for Hal Smith's services." Homeowners posted a record $28 million sales in 1983.

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Vol. 10, No. 1 January 2, 1984

$50M budgeted for '84 expansion

Lowe's adds 3 Nashville stores

By Greg Puchalski
NHCN senior editor

NASHVILLE—Lowe's will increase its store count here from one to four later this year when it debuts four outlets acquired from Homecrafters Centers for an undisclosed price.

At the same time, the North Wilkesboro, N.C.-based chain will close its only existing Nashville store, a nearly 10,000-sq.-ft. unit, which will move across the street into one of the larger Homecrafters facilities.

Union Camp, Homecrafters Centers' parent, had already closed the four Nashville locations along with a fifth store there that was not involved in the Lowe's transaction. Union Camp is leaving the DIY retail business with the sale of its 33 stores to Homecrafters Warehouse (*NHCN*, Dec. 12, 1983).

Homecrafters Warehouse has filed with the Securities and Exchange Commission for permission to sell two million common shares for $14 to $16 per share. The proceeds are to be used for the 33-store acquisition as well as the opening of warehouse-style units in Memphis and Denver.

William Brantley, vice president-investor relations for Lowe's, said the company will remodel and remerchandise the four Nashville units, which average close to 20,000 sq. ft., into its RSVP-style format. Officials plan to reopen the stores in the spring-summer months.

"These stores will give us the kind of impact in Nashville that three stores give us in Charlotte [N.C.] and our two stores give us in Winston-Salem [N.C.]," Brantley said. "They became available in a market area in which we wanted to do more."

The four Nashville outlets will be part of Lowe's projected 5% growth in store count during fiscal 1984 (*NHCN*, Dec. 12, 1983).

The company's board of directors has approved a better than $50 million capital expenditure budget for 1984 expansion.

Lowe's opened a store with the largest sales floor to date for the chain on Nov. 26 in Mauldin, S.C. The new store, which has a display area covering 20,250 sq. ft., compares with a chain average of just under 11,000 sq. ft.

By the close of fiscal 1983 later this month, Lowe's will have boosted its store count to 240 and its retail selling space to about 2.5 million sq. ft. by debuting new units in Springdale, Ark., Douglasville and Griffin, Ga., and New Iberia, La., officials said.

The renewed expansion activity comes at a time when Lowe's is enjoying a stellar year financially.

Net earnings in the third quarter ended Oct. 31 were up 76% from the prior year to $14.2 million, to lift three-quarter profits to $41.1 million, officials said. The quarter's sales increased 38% to $382 million to push Lowe's over the $1 billion mark in annual volume for the second straight year.

Feds deregulate F.H.A. mortgage interest rate

WASHINGTON—Government control over interest rates on mortgages insured by the Federal Housing Administration will end soon, after nearly 50 years, raising concern that a common source of home financing will become more costly.

In the absence of Federal control, FHA interest rates will now be negotiated between lender and borrower.

The change was brought about by provisions in a housing authorization bill Congress passed at the close of its session last year, and signed by President Reagan. It settles a two and one-half year battle on Capitol Hill.

Part of the same housing authorization bill provides $15.6 billion for housing assisted programs.

Housing industry observers warn that the deregulation of FHA backed mortgage interest rates will have a detrimental effect on the home construction industry. The FHA rate has been about one percentage point lower than conventional mortgage rates, running most recently around 12½% for a 30-year fixed loan.

The effective rate of FHA insured mortgages is expected now to rise to market levels.

According to a recent National Assn. of Home Builders survey, 50% of first-time buyers purchasing new condominium units, and 45% of first-time buyers purchasing new single-family homes used FHA-insured mortgage loans.

Hechinger tests whse plans by tinkering with prototype

NEW YORK—Hechinger is moving toward a warehouse format, carefully, but deliberately.

"It's in our plan to give it a whirl, to try it out," John Hechinger, president, told analysts at a financial seminar here recently.

While the company perhaps operates the home center industry's definitive "super stores," with 40,000 stock keeping units in 60,000-sq.-ft. units, last year it began tinkering with its prototype.

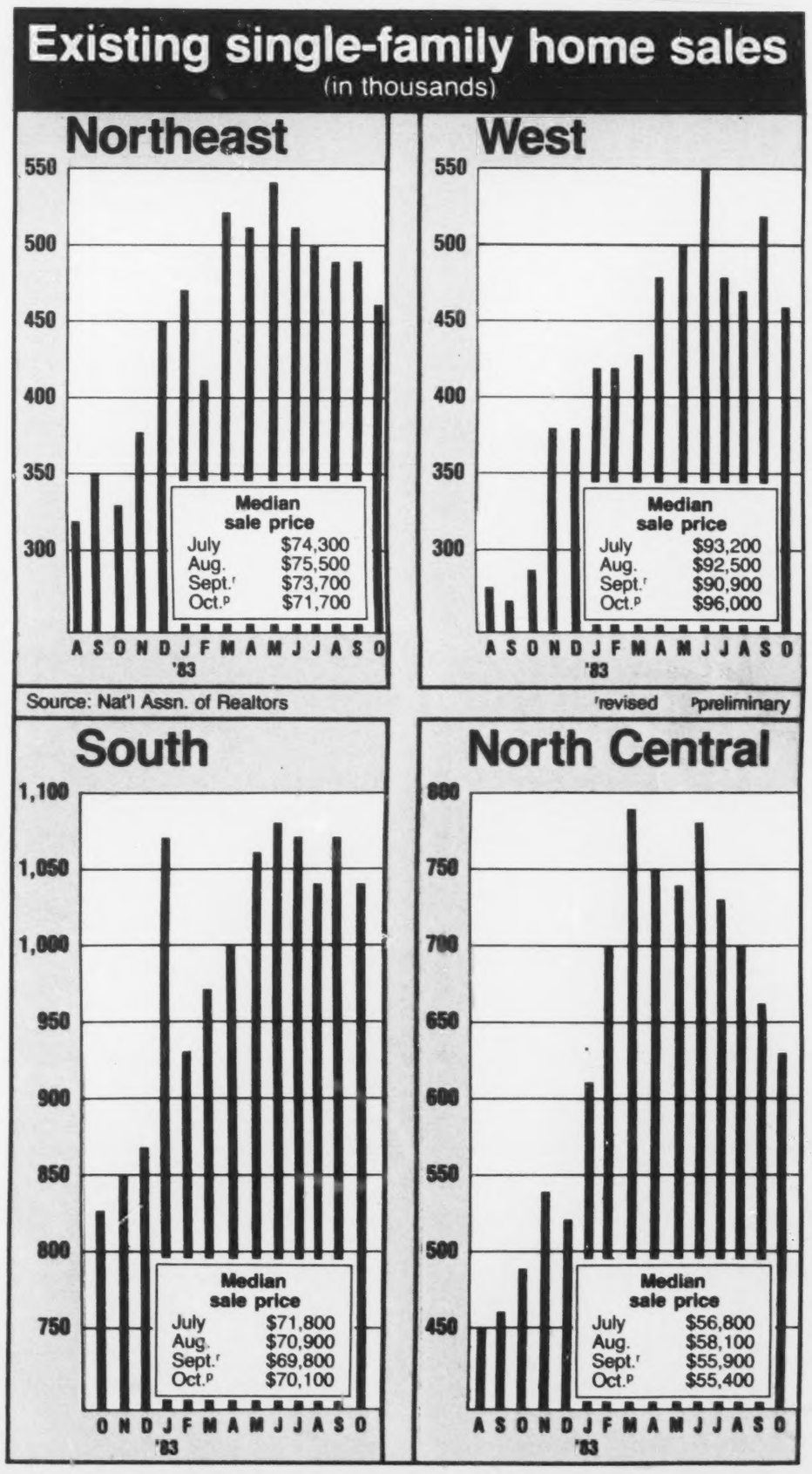
In October, for the first time, a Hechinger store was opened, in Durham, N.C., without a wall separating the 40,000 sq. ft. of gleaming retail space from the adjacent and less attractive 20,000-sq.-ft. building materials area.

Although John Hechinger said that it is too soon to assess the impact of the prototype change, the company will continue to build its stores without the dividing wall.

A fill-in Philadelphia store opened Dec. 3 without the wall and a Baltimore fill-in store scheduled for opening Dec. 17 was also expected to have the new look.

Of the seven stores scheduled for opening this year, most will adopt the change, Hechinger said. He termed it part of an evolution with other innovations to come, but not this year.

"There are other plans," he said, "but no announced plans."



Existing home sales in October slowed 4.8% over the previous month to 2.59 million units but remained considerably higher than a year ago. Nationwide, median sales prices rose by $500 over the revised September figure to $70,400. The largest rises were seen in the West region with a massive $5,100 price rise over the revised September figures.

SALES & EARNINGS

Company	Period Ended	Current Sales*	Year-Ago Sales*	% Change	Current Earnings*	Year-Ago Earnings*	% Change
Hechinger	10/29-3rd qtr.	$ 78,028	$ 62,856	24	$ 3,640	$ 3,001	21
The Home Depot	10/30-3rd qtr.	64,083	28,727	123	2,291	1,303	76
Lowe's	10/31-3rd qtr.	381,961	277,627	38	14,173	8,040	76
Pay 'n Save	10/29-3rd qtr.	284,049	254,951	11	6,806	3,328	105
Rickel Home Centers	10/29-3rd qtr.	69,700	58,466	19	—	—	—
Standard Brands Paint	10/30-3rd qtr.	79,613	70,390	13	5,418	4,078	33
Wickes	10/29-3rd qtr.	751,802	679,012	11	19,436	−75,823	—

*$ in thousands

Source: Company reports

STOCK PRICES

		As of 12/1	52-week High	52-week Low	P/E Ratio
Boise Cascade (NYSE)		44	47⅜	33¾	25
Edison Bros. Stores (NYSE) [Handyman, Homer's]		42½	46¾	25¾	12
Evans Products (NYSE) [Alamo Ent., Grossman's, Moore's, Hubbard & Johnson, Lindsley]		9⅝	19½	7	—
Forest City (AMEX)	A	14¾	15¾	9	42
	B	13⅞	13⅞	13	—
W. R. Grace (NYSE) [Angels, Cashway, Channel, Handy City, Handy Dan, Orchard]		46¼	50⅜	35¾	14
Lowe's (NYSE)		23¾	32¾	17¼	18
Michigan General (AMEX) [Diamond Lumber]		9¾	14	2⅛	—
Pay 'N Pak (NYSE)		17½	24	15¼	16
Payless Cashways (NYSE) [Furrow]		25	34½	19	20
Scotty's (NYSE)		16	21⅛	14⅛	16
Southwest Forest Industries (NYSE) [Dunlap's, Knox Lumber]		15½	16½	9⅞	—
Standard Brands Paint (NYSE)		23	28¾	17⅞	13

Nasdaq—over-the-counter stocks

		As of 12/1	52-week High	52-week Low	P/E Ratio
Color Tile		17⅛	28	13⅝	—
Hechinger	A	21¼	24¼	19¾	—
	B	22	30¾	15⅛	—
The Home Depot		24¾	31¾	10¾	—
Pay 'n Save		27⅝	27¾	13½	—

Over-the-counter stocks

	As of 12/1 Bid	As of 12/1 Asked	52-week High (Bid)	52-week Low (Bid)
Erb Lumber	19	22	25	12¼
Hines Lumber	36	37½	41½	15½
Home Centers of America	9¾	10¼	15½	5
Home Centers of America [units]	31¾	33½	51½	13¼
National Lumber	11	11¼	13¼	10
Scotts Seaboard [Scott's]	3¼	3¾	5	⅝
Wolohan Lumber	5½	5⅞	10⅛	5¼

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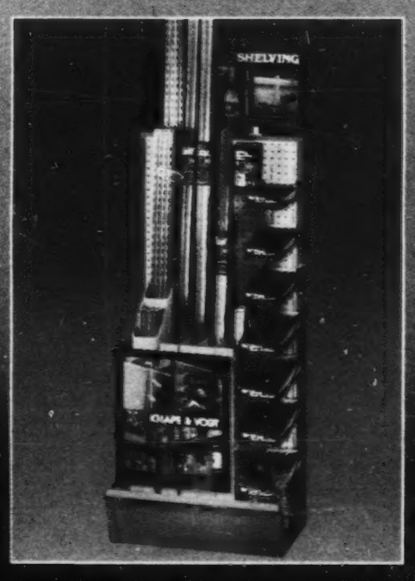

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FINANCIAL NEWS

Wickes shows 3rd quarter profit but ceo sees long road ahead

SANTA MONICA, Calif.—Despite showing a net profit of $19.4 million in its third quarter ended Oct. 29, Wickes still has a long way to go before returning to good health, according to chairman and chief executive officer Sanford C. Sigoloff.

"Many of Wickes' businesses were in worse shape than was evident to most people," he said. "Those in the poorest markets, with little hope of rehabilitation, were either sold or closed. Most of the businesses we have retained have shown good progress, but are now just beginning to move out of the crisis stage."

He added that many of the company's business units must catch up with the marketplace after having lost much of their competitive edge and a significant portion of their customer bases.

"Our task now must be to better define our market niches and take the actions necessary to penetrate those targeted segments," Sigoloff said. "This will require minor modifications in some units and major shifts in others."

Wickes' net income in the third quarter included $700,000 of income from discontinued operations and an operating loss carryforward of $9.6 million, officials said. Wickes had a net loss in the same quarter a year ago of $75.8 million, which included a $75 million reserve for the sale or liquidation of Wickes' Aldens catalog unit and its related operating losses.

Wickes' third-quarter sales were up 11% to $751.8 million.

Income from continuing operations before taxes was $19.5 million for the period, against $3 million last year, and included a pretax gain of $10.4 million from the sale of an investment and another $2.3 million pretax gain related to the repaying of notes receivable.

Income from continuing operations after taxes totaled $9.2 million, up from $3.4 million in the third quarter of 1982.

Depot earnings, total sales rise; margins decline

ATLANTA—While The Home Depot continued to score impressive gains in sales and earnings during its third quarter ended Oct. 30, the 18-store chain watched its gross profit percentage decline as planned.

In the quarter, the company's gross profit was 27.3% compared to 28.7% a year ago. In each quarter of the current fiscal year, gross profit has declined from the comparable period of the previous year.

"Our biggest disappointment is that we feel our margins are too high," chairman Bernard Marcus told security analysts in New York in September (*NHCN*, Oct. 10, 1983). He promised that as volume increased, margins would come down.

And, volume has increased. In the most recent quarter, sales were up 123% to $64.1 million to help net earnings rise by 76% to $2.3 million, according to officials.

The Home Depot was operating 16 units, including two opened in the last two weeks of October, by the close of the quarter compared to eight at the same time last year. It opened two units in Phoenix in November (*NHCN*, Dec. 12, 1983).

In the third quarter, the company incurred preopening expenses of $844,000, including costs of opening in Phoenix, officials said.

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LUMBER REPORT

Production and shipments rise as lumber market feels recovery

NATIONAL REPORT—Lumber dealers are expecting a good year, particularly those in the South and West, where 95% and 100%, respectively, are more optimistic now than they were at the beginning of 1983, according to a recent survey by Random Lengths.

The mail poll of 140 retailers operating 1,102 units also confirmed that 1983 was a good year, with 85% of respondents reporting sales increases over 1982; 75% reported profit increases.

About half of the dealers surveyed said that they planned to build inventories between now and spring, with Northeastern retailers most often responding that they would be buying more wood.

Dealer emphasis on DIY customers also declined somewhat, with 80% of the respondents reporting that the majority of their sales go to homebuilders.

The resurgence of homebuilding along with sustained strength in the repair and remodeling market also made 1983 a year of recovery for lumber wholesalers and producers.

Preliminary results of a survey by the North American Wholesale Lumber Assn. indicated that its 360 wholesale member companies reached $7 billion to $8 billion in combined volume last year compared to $5.5 billion during 1982.

Perhaps the extent of 1983's rebound is most apparent in the lumber production and shipment numbers compiled by the Western Wood Products Assn., comparing the first nine months of 1983 with the same period in 1982. Total United States softwood production was up 24% to 19.5 billion board feet, while shipments rose 25% to 19.1 billion board feet, according to the WWPA.

In terms of producing region, the coast area of the Northwest experienced the greatest gains in both production and shipment, up 36% and 40%, respectively.

By far, the greatest amount of coast region shipments were to the West, 2.7 billion board feet, followed by the South, 457 million board feet. However, the greatest increases in shipments from the coast region were experienced by the North Central and Northeast, where board shipment was up 61% and 54%, respectively.

Average lumber prices rose a modest 10.2% between September 1982 and September 1983 in the coast region, according to the WWPA. But that relatively slight increase compared to the growth in production and shipment does not reflect the price strength lumber achieved last spring and the fact that prices are again climbing.

Also, lumber imports from Canada continue to affect suppliers. According to Commerce Department figures, 38% more lumber came from north of the border during the first nine months of 1983 than in the same period a year earlier.

A total of almost 8 billion board feet were imported from Canada through September, which equals about 29% of the lumber shipped in the United States during that time.

FUTURES

Two weeks ended Dec. 8, 1983

	High	Low	Close	Previous Week	Open* Interest	Contract High	Contract Low
LUMBER (CME)—130,000 bd. ft. spruce-pine-fir 2x4's; $ per 1,000 bd. ft.							
Jan. '84	184.70	174.90	178.60	182.90	2,762	234.00	170.50
March	196.50	187.30	192.90	194.00	2,154	240.50	184.80
May	206.50	194.20	197.40	202.30	947	245.50	194.20
July	214.00	201.00	202.80	210.10	335	252.50	201.00
Sept.	216.40	202.50	202.80	212.10	353	236.00	202.50
Nov.	217.00	202.50	202.80	213.90	140	229.00	202.50
Jan. '85	221.80	208.00	208.00	216.00	18	221.30	208.00

Total Contract Vol. (Through 12/8): 23,163 — Previous Two Weeks: 20,151
Total Open Interest (As of 12/8): 6,709 — Previous Week: 6,763
Cash Price: $170.52 — Previous Week: $168.56 — Year Ago: $156.80

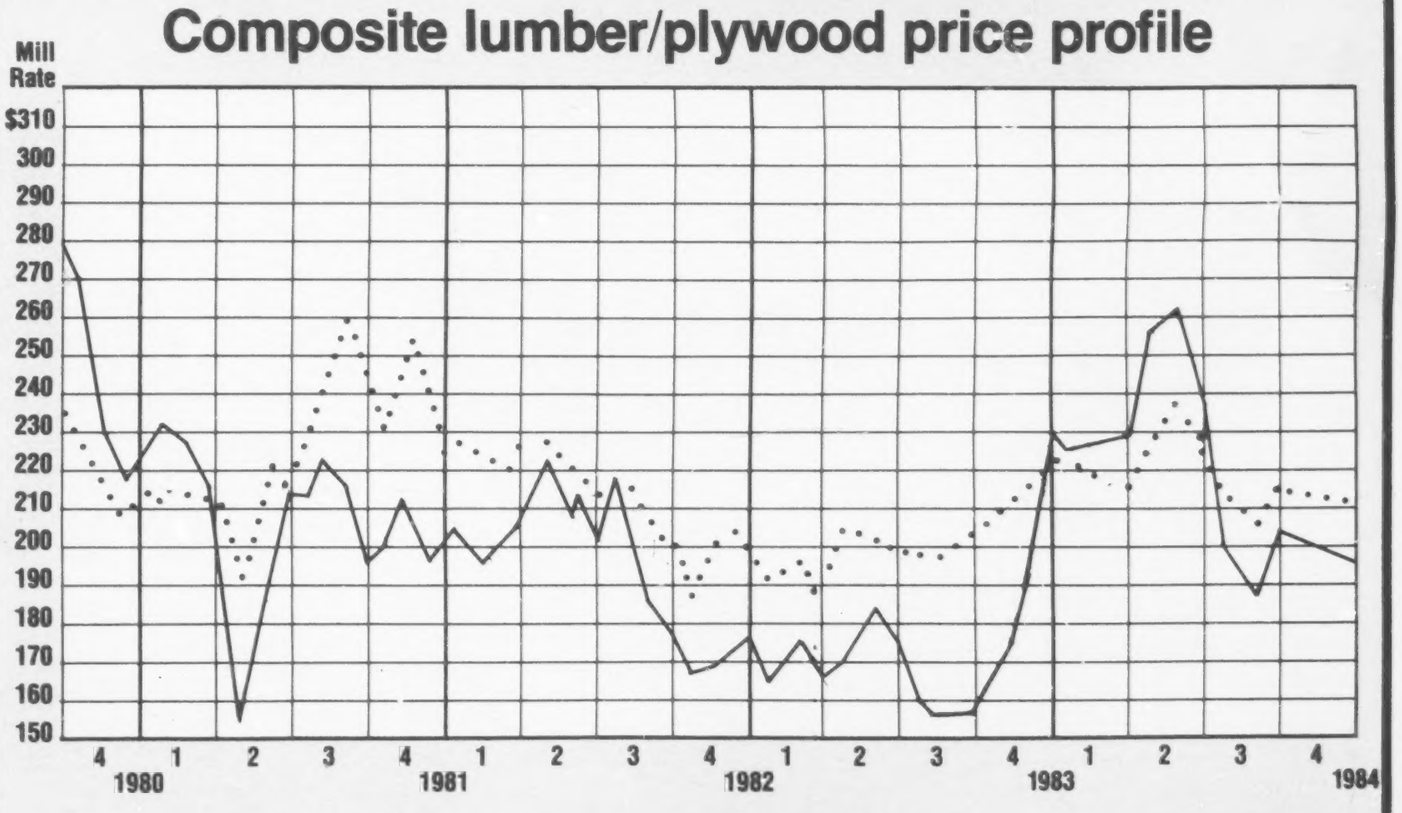
PLYWOOD (CBT)—76,032 sq. ft. ½-in. ext. 4/5-ply; $ per 1,000 sq. ft.							
Jan. '84	200.30	194.50	199.00	198.50	320	223.00	179.70
March	205.00	198.50	203.00	202.70	206	225.00	183.00
May	207.50	202.60	206.00	205.20	67	207.00	187.50
July	210.00	204.50	208.00	207.00	29	210.00	190.50
Sept.	209.00	206.00	209.00	208.00	1	212.50	201.00
Nov.	No	trading	—	—	—	—	—

Total Contract Vol. (Through 12/9): 323 — Previous Two Weeks: 349
Total Open Interest (As of 12/18): 623 — Previous Week: 623
Cash Price: $196.00 — Previous Week: $194.04 — Year Ago: $190.12

COMMODITY RESEARCH BUREAU INDEX:	This Week 272.9	Previous Week 272.5	Year Ago 233.7

CME—Chicago Mercantile Exchange — CBT—Chicago Board of Trade
*Figures for Thursday, 12/8.
Open Interest is the number of outstanding contracts for each delivery month not liquidated by an offsetting transaction or fulfilled by delivery.

Composite lumber/plywood price profile



——— Framing lumber, $/1,000 bd. ft. ..... Plywood, $/1,000 sq. ft. Source: *Random Lengths*

Several factors caused lumber and plywood prices to bounce somewhat in October before leveling in *Nov.* Basically, demand remained strong, although the pipeline was lean. And a strike by British Columbia lumber workers loomed ominously.

Going into winter some are looking for a further rebound in prices caused by roughly the same reasons. Dealers could start rebuilding inventories. They are looking forward to a good year.

The framing lumber composite in October was $202 per thousand board foot; for plywood, $217 per thousand square foot. Framing dropped to $195 in November and plywood fell to $211.

The framing and plywood composite numbers are based, respectively, on Random Length's weighted averages of nine key lumber and seven key plywood items.